was made to the State of Orissa during January to March, 2005 to meet urgent demand in the State.

(c) and (d) PDS kerosene has been allocated to States/UTs on a historical basis. In accordance with the policy adopted by the Government of India in 2000, Kerosene (SKO) allocation for distribution under the Public Distribution System (PDS) was reduced every year beginning 2001-02 till 2003-04, taking into account the number of LPG connections released in each State/Union Territory. While the initial allotment for 2004-05 was based on the criteria adopted hitherto, additional allocations were made during the year to meet urgent emergent demand. For the year 2005-06, allocations have been maintained at the level of 2004-05, including additional allocations made during that year.

With a view to assessing the genuine demand of kerosene in different States/UTs, in December 2004, the Government commissioned the first-ever comprehensive study of the subject through the National Council for Applied Economic Research (NCAER). NCAER have submitted their report in October 2005. It is being examined with a view to rationalising the allocation of PDS kerosene amongst States/UTs.

MoU with Korea in oil sector

2994. SHRI ANAND SHARMA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have signed and MoU with Korea for oil exploration and production; and

(b) if so, the details thereof and the likely impact on oil industry in the country?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKARAIYAR):(a) and (b) Yes, Sir. A Memorandum of Understanding was signed on 25.11.2005 between the Ministry of Petroleum and Natural Gas and the Ministry of Commerce, Industry and Energy of the Republic of Korea for cooperation in the field of oil and natural gas.

The main areas of cooperation include the following:

1. Tie-ups between Indian and Korean companies in undertaking E&P initiatives in third countries;

2. Bidding by Korean companies in various NELP rounds for participating in the Indian E&P sector;

3. Forging Indo-Korean collaboration between the companies of both countries for joint commercial enterprises in third countries;

4. Basic and applied research and development regarding oil and natural gas issues;

5. Research commissioning and design, construction, operation and maintenance, engineering & management topics of oil and gas related industries;

6. Cooperation for manufacture, upgrading and supply of drilling rigs;

7. Cooperation in underground petroleum storage facility and allied activities;

8. Oil energy and environmental issues;

9. Training of specialists expertise and technical assistance;

10. Environmental protection, including oil spill emergency response systems;

11. Other areas as may be agreed upon by the Parties.

As a result of this MoU, enhanced economic and commercial cooperation is expected to improve energy security for both countries besides increasing mutual trade and investment.

IOC'S LNG Terminal at Krishnapatnam (A.P.)

2995. SHRI C. RAMACHANDRAIAH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the Indian Oil Corporation (IOC) has entered into an MoU with Krishnapatnam Port company for the establishment of LNG terminal at Krishnapatnam Port;

(b)if so, the details thereof;

(c) the time frame by which IOC will establish the LNG terminal at Krishnapatnam Port; and